

### **REMARKS**

The Final Office Action mailed December 12, 2007 has been reviewed and carefully considered. Reconsideration of the above-identified application, as herein amended and in view of the following remarks, is respectfully requested.

Claims 12-13 are pending in this application. Claims 1-11 have been cancelled without prejudice. New claims 12-13 have been added. No new matter has been added. The Examiner's reconsideration of the rejection in view of the amendment and the following remarks is respectfully requested.

### **REQUEST FOR CONTINUED EXAMINATION**

Applicant submits a Request for Continued Examination (RCE) and a check for \$405.00 to cover the small entity RCE fee due under 37 C.F.R. §1.17(e) and respectfully requests entry and consideration of the present claims.

### **§103 REJECTIONS**

By the Office Action, Claims 1-7 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,809,143 to Hughes (hereinafter Hughes) in view of U.S. Patent No. 6,725,318 to Sherman et al. (hereinafter Sherman) and further in view of U.S. Patent No. 5,296,692 to Shino (hereinafter Shino). Claims 8, 10-11 were rejected under 35 U.S.C. §103(a) as being unpatentable over Hughes in view of Shino. Claim 9 was rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent Application Publication No. 2005/0035193 to Gustin (hereinafter Gustin).

The Applicant respectfully disagrees with the rejections. However, Claims 1-11 have been cancelled. With respect to the new claims 12 and 13, please note the following remarks.

As previously discussed, Hughes is directed to an Internet purchasing portal that permits a user to swipe a card to make an online purchase. One of Hughes' primary concerns involves Internet security since information theft is a potential problem in such systems. As such, Hughes provides a controller 32 that prevents free exchange of certain information and blocks unencrypted information that is sensitive for the user. Thus, in Hughes user-sensitive information is not shared with on-line merchants or even the connected computer (*see e.g.*, col. 7, line 55 to col. 8, line 7). A secure host is employed to gain access to financial institutions, etc. via a separate and secure modem connection (44) directly from the keyboard.

To reiterate, in Hughes the controller 32 is employed to encrypt sensitive information and to block such information from leaving the keyboard if the information is not protected. *See* col. 3, lines 20-25 which recites:

"[H]owever, there are certain entries that can be made on QWERTY keypad and number keypad 30 that are blocked by controller 32 from the interface 31 between the controller 32 and the computer 12. This is the feature that provides security for secure keyboard 10."

In other words, in Hughes the controller 32 hinders and **potentially blocks** communication between a computer 12 and the keyboard to ensure security.

In stark contrast, the present invention is directed to an electronic settlement system to be employed by, e.g., a vendor (e.g., a sales clerk at a store) such that any information to be shared (e.g., between the keyboard and PC) is transferred over secured

lines. In the present invention, the interaction between the keyboard and a PC is provided via a control unit that is employed to **improve or ensure** communication between the keyboard and the computer, not hinder communications for security reasons, as in Hughes.

Hughes does not disclose or suggest at least: a control unit configured to transform the data read from the magnetic card, the smart card or the RF card into a machine language code for transmission to the user PC and to interpret a machine language code received from the user PC, as recited in claims 12 and 13. As stated, the control unit is employed for decoding and encoding as a translation device not as a gateway to hinder communications for security as in Hughes.

Firstly, Hughes does not transform the data read from the magnetic card, the smart card or the RF card into a machine language code for transmission to the user PC. Instead, the controller of Hughes blocks the sensitive information scanned for the credit card or smart card. Secondly, the information in Hughes is not encoded into machine language for communication with the PC. Instead, the information in Hughes is encrypted so that it is not recognizable to the merchant and the information is transferred by a second communication path 48 (NOT to the computer) (see FIG. 1, see also FIG. 11, FIG. 14 and accompanying text of Hughes).

With regards to Shino, that reference is directed to an IC card reader but does not disclose or suggest communication links with a computer network or financial institutions as presently claimed. Shino fails to disclose or suggest at least: a control unit configured to transform the data read from the magnetic card, the smart card or the RF

card into a machine language code for transmission to the user PC and to interpret a machine language code received from the user PC, as recited in claims 12 and 13.

Sherman simply relates to a keyboard for conveying data to and from a host or PC through a USB port and/or a PS/2 port, and fails to disclose, suggest or make any mention of a keyboard adapted to read information from a magnetic card, much less a control unit configured to transform the data read from the magnetic card, the smart card or the RF card into a machine language code for transmission to the user PC and to interpret a machine language code received from the user PC, as recited in claims 12 and 13.

Gustin involves a machine that cashes monetary transaction documents such as checks, money orders, etc., and makes deposit entries into the bank account of the user after validation of the user and transaction document, without the aid of a human bank teller. Gustin was cited by the Examiner as allegedly disclosing 'scanning the magnetic card and transmitting the card information to the financial settlement institute server if a cash service is chosen as the card-charging type.' However, Gustin fails to disclose or suggest at least a control unit configured to transform the data read from the magnetic card, the smart card or the RF card into a machine language code for transmission to the user PC and to interpret a machine language code received from the user PC, as recited in claims 12 and 13.

It is therefore respectfully submitted that the cited references fail to disclose or suggest all of the elements of claims 12 and 13, and that new claims 12 and 13 are believed to be allowable over the cited references for at least the stated reasons.

### CONCLUSION

In view of the foregoing, Applicant respectfully requests that the rejections of the claims set forth in the Final Office Action of December 12, 2007 be withdrawn, that Claims 12-13 be allowed, and that the case proceed to early issuance of Letters Patent in due course.

Furthermore, Applicant submits a Request for Continued Examination (RCE) and a check for \$405.00 to cover the small entity RCE fee due under 37 C.F.R. §1.17(e).

It is believed that no additional fees or charges are currently due. However, in the event that any additional fees or charges are required at this time in connection with the application, they may be charged to applicant's representatives Deposit Account No. 50-1433.

Respectfully submitted,

Date: 3/11/08

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